

Message Text

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51

ACTION OES-05

INFO OCT-01 EUR-12 ISO-00 PM-03 EB-07 TRSE-00 L-03 SP-02

SSO-00 /033 W

----- 087658

O R 271656Z JUN 75

FM AMEMBASSY BONN

TO SECSTATE WASHDC IMMEDIATE 1067

INFO USMISSION EC BRUSSELS

ERDA GERMANTOWN

UNCLAS BONN 10456

EC BRUSSELS FOR RUBIN, ERDA

E. O. 11652: N/A

TAGS: TECH, GW

SUBJECT: OFFSET -- ERDA-FRG ENRICHMENT SERVICES

REF: A. BONN 10341, B. STATE 149753, C. BONN 06059

1. SUMMARY: FRG EMBASSY WASHINGTON WILL BE INSTRUCTED
ARRANGE TRANSFERS OF GERMAN FUNDS FROM US TREASURY TO
ERDA AND TO THREE US FIRMS. TRANSFERS WILL TOTAL
\$41,263,496.43. BALANCE OF \$46,790,000.99 DEPOSIT
WILL BE RESERVED TO PAY OTHER CHARGES ASSOCIATED WITH
PROCUREMENT OF OFFSET ENRICHED URANIUM, INCLUDING
WEIGHING, SAMPLING AND TRANSPORTATION IN ACCORDANCE
WITH DELIVERY SCHEDULE PROPOSED IN ERDA CONTRACT.
FRG OFFICIALS REPEAT ARGUMENTS OUTLINED IN REF C, I.E.
TREASURY ACCOUNT SHOULD BEAR INTEREST. FRG EMBASSY WILL
BE INSTRUCTED TO MAKE THESE POINTS AGAIN. END SUMMARY

2. FRG TECHNOLOGY MINISTRY HAS BEEN ADVISED BY GERMAN
EMBASSY WASHINGTON THAT SUM OF \$46,790,000.99 IS
NOT RPT NOT IN INTEREST-BEARING TREASURY ACCOUNT
NUMBER 20X6407 BUT IS BEING HELD IN ACCOUNT NUMBER
20 6875(18). EMBOFF REMINDED TECHMIN REPS OF
DISCUSSIONS REPORTED BONN 06059. THEY HAD ASSUMED
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THAT USG FAILURE TO RESPOND TO THEIR POSITION AS STATED

IN THIS EMBASSY CABLE IMPLIED THAT USG HAD ACCEPTED THEIR POSITION THAT PAYMENTS FOR PROCUREMENT OF ENRICHED URANIUM COULD BE HELD IN SAME INTEREST-BEARING ACCOUNT AS USED FOR 1969-71 OFFSET URANIUM PURCHASES PENDING DISBURSEMENT TO ERDA AND PRIVATE US VENDORS. TECHMIN REPS REITERATED THEIR ARQUMENTS:

A. SCHMIDT-KUESTER DID NOT RPT NOT AGREE

E TO NON-INTEREST BEARING DEPOSIT FOR ENRICHED URANIUM PROCUREMENT UNDER ARTICLE 4A. HE WAS SPEAKING OF CONTINGENCY PLANS FOR R&D PROGRAMS UNDER ARTICLE 4B SHOULD IT PROVE DIFFICULT TO DEVELOP ACCEPTABLE PROGRAM PRIOR TO JUNE 30, 1975.

B. FRG, IN ABSENCE OF AGREED PROVISIONS FOR ARTICLE 4A PAYMENTS UNDER 1973-75 OFFSET, IS USING IN GOOD FAITH SAME MECHANISM AS AGREED FOR 1969-71 PROCUREMENT. THIS INVOLVES INTEREST-BEARING ACCOUNT 20X6407.

GERMAN EMBASSY WASHINGTON WILL SEEK TO CLARIFY THIS POINT.

3. FRG TECHMIN HAS MAILED FOUR LETTERS TO PAUL H. TAYLOR OR TO RICHARD BUSHMAN AT ADDRESS GIVEN REF A. THESE REQUEST TRANSFER OF FUNDS BY PROCEDURE AGREED DECEMBER 10, 1970, FOR 1969-71 ENRICHED URANIUM PURCHASE. THESE LETTERS ARE:

A. JUNE 16, 1975

\$ 1,661,100

HOMESTAKE MINING COMPANY

DUE: JUNE 25, 1975

B. JUNE 19, 1975

\$37,511,496.43

ERDA

DUE: JUNE 30, 1975

C. JUNE 20, 1975

\$ 1,370,000

ATLAS CORPORATION

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DUE:JUNE 30, 1975

D. JUNE 20, 1975

\$ 720,900.

HOMESTAKE MINING COMPANY

DUE: JUNE 30, 1975

TECHMIN REPS HOPE THAT LETTERS ARE NOT LOST AND THAT TRANSFERS CAN BE MADE IN TIME TO AVOID CHARGES FOR

DELAYED PAYMENT.GERMAN EMBASSY WILL FOLLOW UP. HILLENBRAND

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SCIENTIFIC COOPERATION, URANIUM, NUCLEAR RESEARCH, OFFSET PAYMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 27 JUN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975BONN10456
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750223-0776
From: BONN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t1975067/aaaaaftel
Line Count: 116
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Office: ACTION OES
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
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Review Event:
Review Exemptions: n/a
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Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

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Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
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TAGS: TECH, GE, US, ERDA
To: STATE
Type: TE
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